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CITY OF RYE FINANCE COMMITTEE MEMORANDUM

Date: March 10, 2004
To: Finance Committee
From: Michael A. Genito, City Comptroller
Re: Update on Occupancy Tax – Other Cities

Further addressing the occupancy tax issue, we contacted the four cities noted in the Corporation Counsel's memorandum of February 27, 2004 that are listed as having special occupancy tax legislation, namely, the cities of Saratoga Springs, Canandaigua, Niagara Falls, and Lockport.

Saratoga Springs

Ms. Christine Brown, Deputy Commissioner of Finance, advised us that Saratoga County handles the collection of their occupancy tax since they also have a county occupancy tax. Saratoga County collects the tax quarterly and the city informs them of any establishments licensed in the City so they can ensure the establishment is paying the tax.

Canandaigua

Ms. Kay James, Assistant City Manager and acting City Treasurer, advised us that while the city adopted the special legislation, the City Council voted down the actual adoption of a city occupancy tax in the belief that it would place the hotels within the city at a competitive disadvantage to other hotels in the county. Shortly afterwards, their county adopted an occupancy tax that is not shared with the city.

Lockport

Mr. James Ashcraft, Treasurer, advised us that Lockport initially had a 3% occupancy tax. The county adopted a 1% occupancy tax and asked the city to collect and remit the county's 1%. The current Lockport occupancy tax is 4%, with 3% going directly to the city's general fund, and 1% being remitted to their county. We have also obtained a copy of Lockport's occupancy tax remittance form used by its places of lodging.

Niagara

Ms. Maria Brown, Controller, advised us that the city has a 4% rate and the county has an additional 4% rate. The county does not share its occupancy tax with the city. Of the 4% collected by the city representing the city rate, 80% is remitted to the Niagara Tourism Bureau, a separate legal entity; 15% is retained by the city and dedicated to tourism; and the remaining 5% can be used by the city for any purpose.

Respectfully submitted,
- Michael